PUBLIC DEBT LIMIT

HEARING

BEFORE THE

COMMITTEE ON WAYS AND MEANS
HOUSE OF REPRESENTATIVES

NINETY-EIGHTH CONGRESS

SECOND SESSION

TESTIMONY OF THOMAS J. HEALEY, ASSISTANT SECRETARY FOR DOMESTIC FINANCE, DEPARTMENT OF THE TREASURY

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PUBLIC DEBT LIMIT

WEDNESDAY, MAY 16, 1984

HOUSE OF REPRESENTATIVES,
COMMITTEE ON WAYS AND MEANS,
Washington, D.C.

The committee met at 10 a.m., pursuant to notice, in room 1100, Longworth House Office Building, Hon. Dan Rostenkowski (chairman of the committee) presiding.

[The press release announcing the hearing and an analysis follow:]

[Press release of Thursday, May 10, 1984]

HON. DAN ROSTENKOWSKI (D., ILL.), ANNOUNCES A PUBLIC HEARING ON THE PUBLIC DEBT LIMIT AND MISCELLANEOUS INITIATIVES OF THE TREASURY DEPARTMENT RELATING TO DEBT MANAGEMENT AND ADMINISTRATIVE MATTERS

The Honorable Dan Rostenkowski (D., Ill.), Chairman of the Committee on Ways and Means, U.S. House of Representatives, today announced that the Committee will hold a one-day public hearing on (1) the Administration's request for an increase in the public debt limit, and (2) miscellaneous initiatives of the Treasury Department relating to debt management and administrative matters. The hearing will be held on Wednesday, May 16, 1984, at 10 a.m., in the Committee's main hearing room, 1100 Longworth House Office Building.

I. PUBLIC DEBT LIMIT

The current limit on the public debt is $1,490 billion, which the Administration expects to be adequate to meet the Federal government's financing needs until the latter part of May. Based on its budget estimates, the Administration anticipates that the debt subject to limit will be $1,584 billion at the end of fiscal year 1984, and $1,824 billion at the end of fiscal year 1985. Allowing for a $5 billion margin for contingencies, the Administration requests that the debt limit be increased to $1,589 billion through September 30, 1984, and $1,829 billion through September 30, 1985. The First Budget Resolution for fiscal year 1985, recently passed by the House, provides debt limit levels of $1,596 billion for fiscal year 1984 and $1,834 billion for fiscal year 1985, which are slightly larger than the Administration request.

II. DEBT MANAGEMENT INITIATIVE

In addition to its request for an increase in the debt limit, the Administration also requests an increase in the amount of long-term bonds that can be issued bearing interest rates above 4¼ percent. Under present law, the Treasury Department's authority to issue such bonds is limited to $150 billion. The administration requests that the long-term bond authority be increased by $50 billion to $200 billion.

III. MISCELLANEOUS TREASURY ADMINISTRATIVE INITIATIVES

The Administration also requests authority for the Secretary of the Treasury to obtain certain services and facilities and to incur certain administrative services designed to improve the efficient functioning of the Treasury Department. This request, transmitted on June 17, 1983, as Executive Communication 1410, seeks authority to (1) enter into certain reciprocal agreements and other contracts, (2) provide facilities for the performance of certain protective functions, (3) provide for cer-

tain official function and representation activities of the Department, (4) acquire certain foreign real or personal property, and (5) provide laboratory assistance to State and local law enforcement agencies.

DETAILS FOR SUBMISSION OF REQUESTS TO BE HEARD

Individuals and organizations interested in presenting oral testimony before the Committee must submit their requests to be heard by telephone to Harriett Lawler [(202) 225-3627] no later than noon, Tuesday, May 15, 1984. Notification to those scheduled to appear will be made by telephone as soon as possible after the filing schedule.

It is urged that persons and organizations having a common position make every effort to designate one spokesman to represent them in order for the Committee to hear as many points of view as possible. Time for oral presentations will be strictly limited with the understanding that a more detailed statement may be included in the printed record of the hearing. This process will afford more time for members to question witnesses. In addition, witnesses may be grouped as panelists with strict time limitations for each panelist.

In order to assure the most productive use of the limited amount of time available to question hearing witnesses, witnesses scheduled to appear before the Committee are required to submit 200 copies of their prepared statements to the Committee office, room 1102 Longworth House Office Building, by close of business, Tuesday, May 15, 1984. Failure to comply with this requirement may result in the witness being denied the opportunity to testify in person.

Requests to be heard must contain the following information:

1. The name, full address, and capacity in which the witness will appear, as well as a telephone number where he or his designated representative may be reached:
2. A list of any clients or persons, or any organization for whom the witness appears; and
3. A topical outline or summary of comments and recommendations.

The above information should also be incorporated in the prepared statements to be presentd in person as well as those filed for the printed record of the hearing.

WRITTEN STATEMENTS IN LIEU OF PERSONAL APPEARANCE

Persons submitting written statements for the printed record of the hearing should submit at least six (6) copies by the close of business, Tuesday, May 15, 1984, to John J. Salmon, Chief Counsel, Committee on Ways and Means, U.S. House of Representatives, 1102 Longworth House Office Building, Washington, D.C. 20515. If those filing written statements for the record of the printed hearing wish to have their statements distributed to the press and the interested public, they may provide 100 additional copies for this purpose to the Committee office before the hearing begins.

Increases in Public Debt and Long-Term Bond Limits and Miscellaneous Treasury Administrative Requests

(Prepared by the Joint Committee on Taxation)

A. PUBLIC DEBT LIMIT

Present law

The permanent limit on the public debt is $1,490 billion. This limit was enacted on November 21, 1983.

Current situation

On May 11, 1984, the outstanding public debt was $1,481.3 billion. Several times in early April and early May, the outstanding public debt has been within $25 million of the current legal limit. On May 15, the Treasury Department will settle on its $16.5 billion midquarter financing which includes $7.18 billion of new financing. The Treasury Department has estimated that the present limit will not meet federal financial needs after May 24, 1984.

The daily operating cash balance was $38.7 billion on May 1, 1984, which was substantially greater than the Treasury Department's preferred cash balance of $25 billion, which includes a $5 billion allowance for contingencies. The large cash balance on May 1 resulted from income tax payments by corporations and individuals in the latter half of April. By May 11, the cash balance was $16.5 billion.

Congressional action on administration proposals

The Senate Finance Committee has reported a bill, S. 2651, which provides for a public debt limit of $1,752.6 billion. The Administration has estimated that this amount would meet its needs through June 28, 1985.

[In billions of dollars]

	Fiscal year—	
	1984	1985
Proposed debt limit levels:		
Administration request	1,589.0	1,829.0
House budget resolution	1,596.2	1,843.3
Related budget deficits:		
Administration budget	177.8	179.0
House budget resolution	189.0	175.5

B. LONG-TERM BONDS

Present law

Treasury has authority to issue $150 billion of long-term bonds (securities issued with maturities greater than 10 years) with interest rates above the statutory 4¼ percent ceiling. In testimony before the Finance Committee, Treasury stated that it will exhaust the $150 billion authority early in calendar year 1985, assuming that the recent pattern of issuing long-term bonds is continued. As of April 30, 1984, there were about $120 billion of bonds outstanding under the exception.

Congressional action on administration request

The Administration has requested an increase of $50 billion—to a total $200 billion—in the exception from the 4¼ percent ceiling. The Treasury Department stated that the increase probably would meet its needs through calendar year 1985.

In S. 2651, the Finance Committee approved a $50 billion increase to $200 billion in the authority to issue bonds to the public above the 4¼ percent interest rate ceiling.

C. AUTHORIZATION OF TREASURY ADMINISTRATIVE REQUESTS

The Administration also requests statutory authority for the Secretary of the Treasury to obtain certain services and facilities and to incur expenses for certain administrative services designed to improve the functioning of the Treasury Department. This request, which was transmitted on June 17, 1983, as Executive Communication 1410, seeks authority to (1) enter into certain reciprocal agreements and other contracts with State and local government law enforcement agencies, (2) install and remove facilities for the performance of certain protective functions on nongovernment property, (3) provide for certain official functions and representation activities of the Treasury Department, (4) acquire or insure certain foreign real or personal property, (5) provide laboratory assistance to State and local law enforcement agencies, and (6) provide for miscellaneous other administrative matters.

Chairman ROSTENKOWSKI. The committee will come to order.

This morning's hearing is on the Treasury Department's request to increase the public debt limit. The present law limit is $1,490 billion, which has very nearly been reached.

Without a further increase in the debt limit, the Treasury will soon be unable to pay the Government's bills. I understand that the Treasury Department will make a specific recommendation to the committee for an increase, and that the administration will also request additional authority to issue long-term bonds. The Treasury Department will also request several legislative authori-

zations of a housekeeping nature to improve the efficiency of the Department.

Our first and only witness this morning is Assistant Secretary Thomas J. Healy.

Mr. Secretary, thank you for joining us. Welcome to the committee. You may proceed.

STATEMENT OF THOMAS J. HEALEY, ASSISTANT SECRETARY FOR DOMESTIC FINANCE, DEPARTMENT OF THE TREASURY

Mr. HEALEY. Good morning.

My purpose here today is to advise you of the need for congressional action to increase the public debt limit and to provide additional authority to issue long-term marketable Treasury bonds.

DEBT LIMIT

Our immediate need is for legislation to increase the debt limit.

Our current projections of cash and debt indicate that Treasury's cash balance will be virtually exhausted on May 24. Without new legislation, the Treasury will be unable to borrow the money needed to pay its bills after that date.

In testimony before the Senate Finance Subcommittee on Taxation and Debt Management on April 12, 1984, Treasury requested an increase in the debt limit to $1,829 billion, an amount sufficient to cover our financing needs through September 1985. On May 9, the Senate Finance Committee reported S. 2651, which would increase the debt limit to $1,752.6 billion. Based on our current estimates, this amount will be sufficient to carry us through June 1985, as shown in the tables attached to my statement. In the interest of expedited action on debt limit legislation, we endorse the figure in S. 2651.

Timely action on the debt ceiling is essential to avoid a repetition of past dislocations which have hampered Treasury financing operations. In recent years, delays in action on the debt limit have generated market uncertainty about Treasury financing schedules and on several occasions costly emergency measures have been undertaken, including suspension of savings bond sales, cancellation of scheduled security auctions and failure to fully invest trust funds including social security.

If the Congress does not act and the debt limit is not increased, the Government will literally be unable to meet all of its essential obligations when they fall due—social security checks, payroll checks, unemployment checks, defense contracts, and principal and interest on its securities. Based on our present estimates, the debt limit must be increased no later than May 24 to assure that the Government will be able to meet these obligations.

LONG-TERM BONDS

Now, I would like to bring to your attention our need for additional authority to issue marketable Treasury bonds. On April 12, we advised the Senate Finance subcommittee that the existing $150 billion authority will be exhausted early in calendar 1985, assuming continuation of our recent pattern of long bond issuance. If the interest rate ceiling on long bonds is not abolished, as we believe it

should be, we would request an increase in long-bond authority of $50 billion, from $150 billion to $200 billion, which would be sufficient to carry us through 1985. S. 2651, as reported by the Finance Committee, would increase the long-bond authority to $200 billion. We endorse this increase.

APPROPRIATION AUTHORIZATIONS

I would also like to address another subject currently pending before the committee. In a letter sent June 17, 1983, which is attached to my statement, the Treasury Department sought approval of a number of technical authorizations for certain aspects of long-standing Treasury activities. These items have been previously enacted in past appropriations bills. However, for these activities no specific statutory authorization exists. Consequently, such items could be deleted by a point of order objection. In reports on the Treasury appropriation, the Appropriations Committee has urged that the Department seek the appropriate authorizing legislation.

The items to be authorized are housekeeping in nature, but are important for the efficient functioning of the Department. They would authorize the Department to, one, enter into certain reciprocal agreements and other contracts; two, provide facilities for the performance of certain protective functions; three, provide for certain official function and representation activities of the Department; four, acquire certain foreign real or personal property; and five, provide laboratory assistance to State and local law enforcement agencies.

Enactment of these provisions would solve any possible future procedural problems.

That concludes my prepared statement, Mr. Chairman. I will be happy to respond to your questions.

[Attachments to the prepared statement follow:]

ESTIMATED PUBLIC DEBT SUBJECT TO LIMITATION, FISCAL YEAR 1984 [1]

	Actual—		With—	
	Cash balance	Debt	Constant $20 billion balance	$5.0 billion contingencies
1983:				
October 31	$27.1	$1,385.3		
November 30	5.2	1,389.9		
December 30	11.8	1,411.4		
1984:				
January 31	28.5	1,438.1		
February 29	23.8	1,458.3		
March 30	14.1	1,464.5		
April 30	38.2	1,486.8		
	Estimate	Estimate		
May 31	8.0	1,506.9	$1,518.9	$1,523.9
June 29	15.0	1,508.6	1,513.6	1,518.6
July 31	20.0	1,522.0	1,522.0	1,527.0
August 31	20.0	1,544.2	1,544.2	1,549.2
September 28	20.0	1,584.0	1,584.0	1,589.0

[1] Based on: Budget receipts of $672.7 billion; budget outlays of $850.5 billion; unified budget deficit $177.8 billion; and off-budget outlays of $15.2 billion.

ESTIMATED PUBLIC DEBT SUBJECT TO LIMIT, FISCAL YEAR 1985 [1]

	Estimate—		With $5.0 billion contingencies
	Cash balance	Debt	
1984:			
October 31	$20.0	$1,589.1	$1,594.1
November 30	20.0	1,602.8	1,607.8
December 31	20.0	1,634.7	1,639.7
1985:			
January 31	20.0	1,652.0	1,657.0
February 28	20.0	1,672.4	1,677.4
March 29	20.0	1,692.2	1,697.2
April 30	20.0	1,708.5	1,713.5
May 31	20.0	1,726.8	1,731.8
June 28	20.0	1,747.6	1,752.6
July 31	20.0	1,759.6	1,764.6
August 30	20.0	1,788.1	1,793.1
September 30	20.0	1,824.1	1,829.1

[1] Based on: Budget receipts of $753 billion; budget outlays receipts of $932 billion; unified budget deficit $179 billion; and off-budget outlays of $15 billion.

THE DEPUTY SECRETARY OF THE TREASURY,
Washington, D.C., June 17, 1983.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: There is transmitted herewith a draft bill, "To authorize the Secretary of the Treasury to obtain certain services and facilities and incur certain administrative expenditures, and for other purposes."

The proposed bill would provide authority for the Secretary of the Treasury to perform several functions necessary for the efficient functioning of the Department. In the past, language making appropriations available for many of these functions has appeared in appropriations acts. However, inasmuch as such language may well be ruled to be substantive legislation in an appropriation bill, it could be subject to points of order. The purpose of this draft bill, therefore, is to provide the requisite underlying authorization and eliminate any potential points of order from being successfully raised.

This authority is being requested, in part, as a result of language in the House Report on the Treasury, Postal Service, and General Government Appropriation Bill, 1978 (H.Rept. 95-378) stating:

"For many years the Budget has proposed appropriation language and requested funds for activities and purposes not authorized by law.

"The rules of the House specifically prohibit the inclusion of funds for unauthorized activities in appropriation acts as well as language which is legislative in nature. Many of these items have been carried in the several appropriation bills each year for many years by sufferance. Others have been deleted in the House, restored in the Senate, and brought back to the House by the conferees in "technical disagreement" for action by the whole House. The inclusion of such items in an appropriation act does not set a precedent and confers no subsequent legislative authority for such appropriations.

"In recent years, the Committee has been challenged regularly on the floor of the House by way of points of order under the rules concerning unauthorized items and language, against which there is no defense.

"It is the desire of the Committee that the Office of Management and Budget review these items during development of the Budget for fiscal year 1979. Where it is considered desirable to continue such items, appropriate legislation should be proposed at an early date. Items for which authorizing legislation is not proposed should be eliminated from the various budget requests."

It would be appreciated if you would lay the proposed legislation before the House of Representatives. An identical proposal has been transmitted to the President of the Senate.

The Office of Management and Budget has advised that there is no objection from the standpoint of the Administration's program to the submission of this proposal to the Congress.

Sincerely,

R. T. McNAMAR.

Enclosures

A BILL To authorize the Secretary of the Treasury to obtain certain services and facilities and incur certain administrative expenditures and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized to—

(a) contract for the temporary or intermittent services of experts or consultant as authorized by 5 U.S.C. 3109 at rates not to exceed the per diem equivalent to the rate for GS-18;

(b) contract with and reimburse the Department of State for health and medical services for employees of the Department of the Treasury and their dependents serving in foreign countries;

(c) obtain insurance for official motor vehicles operated in foreign countries;

(d) install and maintain fencing, lighting, guard booths, and other facilities as necessary for the performance of protective functions of the Department of the Treasury on property not owned or under jurisdiction and control of the United States Government and, subsequently, to remove the facilities therefrom;

(e) maintain, repair, and clean uniforms furnished by the Department of the Treasury to uniformed employees;

(f) enter into reciprocal assistance agreements with State and local law enforcement agencies and, in connection with the agreements and otherwise, train employees of those agencies, when necessary, with or without reimbursement;

(g) provide for official functions, and reception and representation activities the expenses for which shall not exceed amount included therefor in appropriation acts;

(h) provide athletic and related activities for students at the Federal Law Enforcement Training Center, Glynco, Georgia;

(i) acquire in foreign countries real property by lease for periods not greater than ten years or personal property by purchase, lease, or otherwise, and manage, maintain, repair, improve, insure by purchase of commercial insurance policies, and dispose of (by sale, rent, transfer, or otherwise) those properties when necessary for the performance of official business; and

(j) provide laboratory assistance to State and local law enforcement agencies, with or without reimbursement.

ANALYSIS

The bill would authorize the Secretary of the Treasury to perform several functions necessary for the efficient functioning of the Department. In many instances, language making appropriations available for these functions has appeared in prior appropriations acts. However, inasmuch as such language may well be ruled to be substantive legislation in an appropriation act, it could be subject to points of order.

Subsection (a) would authorize contracts for expert and consulting services at per diem rates equivalent to the rate for GS-18. In the limited number of instances in which high level experts and consultants are hired, a high salary level is necessary to obtain individuals with the expertise required. Treasury appropriations have provided for expenditures for expert and consulting services since fiscal year 1950. See, e.g., Treasury Department Appropriations Act, 1980 (the last year the Department received a regular appropriation) 93 Stat. 559, 562.

Subsection (b) would provide for the furnishing of health and medical services by the State Department to employees of the Treasury Department and their dependents serving in foreign countries and not directly assigned to the AID program. This provision is necessary to assure that this Department's employees engaged in long-term overseas assignments and their families receive adequate medical care, since medical services overseas are limited in many areas and are often substandard. A similar provision appeared in the Treasury Department Appropriation Act, 1980 (the last year the Department received a regular appropriation) 93 Stat. 559, 562.

Subsection (c) would provide for the purchase of insurance for official motor vehicles operated in foreign countries. Although the Federal Government is ordinarily a self-insurer, such a system is not recognized in many foreign countries. Numerous incidents of harassment and near arrests of American officials in several foreign countries resulted in appropriations being provided to the Department for this purpose since fiscal year 1973. See, e.g., Treasury Department Appropriations Act, 1980

(the last year the Department received a regular appropriation) 93 Stat. 559, 562. Similar authority is available to the Department of State; (see 22 U.S.C. 2670).

Subsection (d) would provide for the installation, maintenance, and removal of protective facilities on nongovernmental property. Since the Public Buildings Amendment Act of 1972 was enacted, those services have no longer been included in the General Services Administration appropriation. Consequently, Federal agencies must reimburse the General Services Administration for costs incurred. Protective facilities would be removed at the termination of the protective service unless the cost of removal would exceed the salvage value. A similar provision appeared in the United States Secret Service appropriation for the fiscal year 1980 (the last year the Department received a regular appropriation) 93 Stat. 559, 562.

Subsection (e) would provide for the maintenance, repair, and cleaning of uniforms furnished to uniformed employees. This provision is necessary since 5 U.S.C. 5901(a) authorizes the appropriation of funds yearly to furnish each uniformed employee a uniform or to pay an allowance for a uniform to each employee with no provision made for the repair, maintenance, and cleaning of uniforms furnished. It is extremely important that the Department be authorized to maintain, clean, and repair uniforms. Since the uniforms belong to the Department, it should be the responsibility of the Department, rather than the wearer, to provide for their upkeep. A well attired uniformed employee makes a favorable impression on the public and the officer's own morale is enhanced. Furthermore, employees of the uniformed division of the Secret Service often appear in high visibility locations, such as the White House, foreign embassies, and at diplomatic functions, where it is necessary that these officers present a neat and uniform appearance. Similar provisions have appeared in past appropriations acts since fiscal year 1967. See, e.g., Treasury Department Appropriations Act, 1980 (the last year the Department received a regular appropriation.) 93 Stat. 559, 562.

Subsection (f) would authorize the Secretary of the Treasury to enter into reciprocal agreements with State and local law enforcement agencies and to train employees of those agencies, with or without reimbursement. The agreements are necessary to the enforcement functions of the Secret Service, the Internal Revenue Service, and the Bureau of Alcohol, Tobacco and Firearms. The Secret Service trains State and local officers in protective procedures so they can assist in the protection of the President, Vice President, or a visiting foreign dignitary, and trains State and local officials to recognize counterfeit currency. Section 7516 of the Internal Revenue Code (26 U.S.C. 7516) already provides the Internal Revenue Service with authority to train and assist State and local officials. The Bureau of Alcohol, Tobacco and Firearms currently has reciprocal arrangements with certain State and local police groups to come to their assistance in certain instances. In connection with these arrangements it provides training courses to familiarize these groups with its procedures. A similar provision has been provided in the United States Secret Service appropriations since fiscal year 1973. See, e.g., Treasury Department Appropriations Act, 1980 (the last year the Department received a regular appropriation) 93 Stat. 559, 562.

Subsection (g) would provide authority for official functions and reception and representation activities of the Department. The amounts that could be spent for these purposes would be limited to amounts specified in appropriations acts. The role of the Department of the Treasury in economic affairs, taxation, customs, international relations, and law enforcement requires frequent meetings between Treasury officials and domestic and international officials and representatives of foreign governments. Entertainment of foreign visitors is required by diplomatic courtesy. Officials of the several law enforcement bureaus of the Department find it most beneficial to belong to professional law enforcement associations and to conduct certain official business on an informal social basis, both of which require the expenditure of funds for representation purposes. Officials of the Internal Revenue Service provide official entertainment in connection with INTAX Seminars for Middle Management Supervisory Development, and Public Affairs and Taxpayer Education; visiting dignitaries; and the Conference of Inter-American Tax Administrators. Effective United States participation in the international financial institutions necessitates expenditures for United States receptions at major meetings of the institutions which often are held in Washington. Language providing funds for this purpose has been included in the Treasury Department Appropriations Act, 1980 (the last year the Department received a regular appropriation) 93 Stat. 559, 562.

Subsection (h) would authorize the Treasury to expend funds for athletic and related activities at the Federal Law Enforcement Training Center at Glynco, Georgia. The Federal Law Enforcement Training Center is a resident training activity which is located approximately five miles from the nearest city. The Center needs the au-

thority to provide a reasonable off-duty recreational program. Many of the students trained at the Center reside at the facility for as long as two months, and are without public or private means of transportation. Funds for this purpose were provided in Treasury Department Appropriations Act, 1980 (the last year the Department received a regular appropriation) 93 Stat. 559, 562.

Subsection (i) would authorize the Department to acquire, manage, maintain, repair, improve, issue, and dispose of real and personal property in foreign countries when necessary for the performance of official business. The Department leases living quarters and working space abroad in connection with the performance of various Treasury functions. For example, the U.S. Customs Services leases working space for the purpose of preclearance facilities in several foreign countries; and the Department provides housing for various Treasury representatives abroad. The Department has purchased real property in one instance only—to provide housing for the United States Treasury representative posted in Tokyo. It may prove to be in the Government's interests in the future either to rent that property to others or to sell the house. Accordingly, this section of the proposed bill also provides the Department with that authority. The Department is also leasing a car for the use of the United States Director to Asian Development Bank in Manila.

Subsection (i) would also provide authority for the upkeep and insurance of property that the Department owns or occupies abroad. In many cases, the leases or local law require the purchase of insurance. In other cases, although not required by the lease or by local law, the Department has determined that it is in the Government's financial interest to acquire that insurance.

Subsection (j) would authorize the Department to provide laboratory assistance to State and local law enforcement agencies, with or without reimbursement. This is necessary to allow the Bureau of Alcohol, Tobacco and Firearms to answer requests from those law enforcement agencies for identification or analysis of obliterated serial numbers on firearms, gunshot residue, bomb debris analysis, and voice print identification in the area of bomb threats.

Chairman ROSTENKOWSKI. Mr. Healey, if the committee decides to cut your request back to an amount sufficient through and including June 15, what would that figure be?

Mr. HEALEY. Our estimate is that on June 15, under the same assumptions as the figures in the tables that are attached to my prepared statement, the total debt limit need would be $1,536 billion, which is higher actually than what we need June 29.

Chairman ROSTENKOWSKI. Why would that be?

Mr. HEALEY. The pattern of cash flows in the month of June is such that in the second half of the month there is a positive cash flow. We have corporate tax payments, estimated individual tax payments. June 15 is a tax payment date.

We have a positive cash flow between the 15th and the 29th. So we do not need to borrow and indeed need less debt limit at the end of the month than we do in the middle.

Chairman ROSTENKOWSKI. Thank you, Mr. Healey.

Mr. Conable will inquire.

Mr. CONABLE. I don't have any questions, Mr. Chairman. I think this issue is very likely to be dealt with in this committee more strategically than substantively.

I think you are well aware of that. It is important that we have the figures for these various dates.

If I understand what you are saying, then, if we can get through to June 15, we can get through to June 30; is that right?

Mr. HEALEY. That is correct.

Mr. CONABLE. That affects the use of this as a strategic lever relating to the tax conference that is coming up.

Is it possible that if we could get through to June 30, we could also get through to July 15?

Mr. HEALEY. I cannot give you a direct answer on that question. If you look at the table that we gave you, it shows between June 29 and July 31 we would need approximately $8.4 billion of additional debt between the end of June and the end of July. But I don't have the day-by-day figures for the month of July.

Mr. CONABLE. I see.

I realize it is affected by other factors, also. The more information we can get on that, the more it is likely to affect the decision of this committee. We may opt for a shorter time frame than may be desirable in terms of the debt ceiling because the debt ceiling impacts on other pending legislation.

So the more information we can get on it, the better. If we can get something for July, it would be helpful.

Mr. HEALEY. I would be happy to do that. It would take a little time to work it up. But I think in the past we have worked effectively with this committee and the staff members. We are delighted to continue to do that.

Chairman ROSTENKOWSKI. Mr. Frenzel will inquire.

Mr. FRENZEL. No questions, Mr. Chairman.

Mr. SCHULZE. No questions, Mr. Chairman.

Chairman ROSTENKOWSKI. Mr. Healey, the committee will mark up the debt limit legislation this afternoon at 3 o'clock in H-208. I would like very much for you to attend and bring these figures with you for that markup.

Mr. HEALEY. It would be my pleasure.

We will do our best to try to get the July daily numbers by that time. I am not sure that I will have them available. But we will bend every effort to do so.

Chairman ROSTENKOWSKI. Thank you.

Mr. Pickle, do you wish to inquire?

Mr. PICKLE. Mr. Chairman, I will reserve my time.

Chairman ROSTENKOWSKI. Thank you very much. The committee stands adjourned.

[Whereupon, at 10:10 a.m., the hearing was adjourned.]

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